

**STATEMENT OF**

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**AND**

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**BEFORE THE  
U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON HOMELAND SECURITY**

**REGARDING**

**SBINET PLANS AND PROGRESS  
WEDNESDAY, SEPTEMBER 10, 2008**

**ROOM 311, CANNON HOUSE OFFICE BUILDING**

**CHAIRMAN THOMPSON, RANKING MEMBER KING, AND DISTINGUISHED**

**COMMITTEE MEMBERS**, it is our honor to have the opportunity to appear before you today to provide you with an update on the progress of our SBI programs, specifically, the planning and deployment of SBInet technology and construction of the fence. My name is Ralph Basham, and I am the Commissioner of the U.S. Customs and Border Protection (CBP), and with me is Deputy Commissioner Jayson Ahern.

We greatly appreciate the Government Accountability Office's (GAO's) insight and recommendations and will be providing our progress to date, including potential challenges as we move forward. CBP shares many of the same concerns expressed by GAO and members of this Committee with respect to the planned SBInet acquisition, development, testing, and deployment activities. As a result, CBP is developing a detailed SBInet program re-plan to mitigate these risks. Further, CBP continues to move forward with our plan to achieve our goal of having 670 miles of fence in place along the southwest border.

**SBInet**

Through SBInet, CBP will field an effective, integrated mix of technology, such as radars, communication devices, cameras, sensors, and other equipment. These components will be tied together via Common Operating Picture (COP) software that provides real-time situational awareness, and significantly improves our information and intelligence sharing efforts with other law enforcement partners. This integrated system will complement the deployment of infrastructure (vehicle and pedestrian fence, lighting, and all-weather roads) and response platforms to enable Border Patrol agents, CBP officers, and Air and Marine interdiction agents to more efficiently deter, detect, and apprehend illegal entries into the United States.

Project 28 (P-28), our proof-of-concept technology demonstration, has continued to provide operational utility to Border Patrol agents in the sector, and provided insights into the operational and technical challenges the SBInet team will face in designing, developing, and deploying an integrated land-based sensor system for cost-effective surveillance and control of the border. Between September 2007 and September 2008, the system has assisted Border Patrol in the apprehension of over 3,800 illegal aliens. Due to the proper mix of personnel, infrastructure, and technology deployed in this area, illicit cross-border activity is down by almost 39 percent between December 7, 2007, and September 7, 2008, as compared to the same timeframe the previous year. In coordination with the U.S. Army, we continued to test P-28 capabilities through mid-summer. We are reviewing the results and lessons, which will be used to support development and deployment of future SBInet projects.

The SBInet team is currently testing the design of the first SBInet operational deployment projects in the Tucson Sector, TUS-1 and AJO-1, which will cover a total of 53 miles of the southwest border. As observed by the GAO earlier this year, the plan for TUS-1 had been to construct the towers that would house cameras and sensors, while concurrently carrying out system integration testing. We recognized the additional program risk associated with conducting concurrent activities and managing an aggressive schedule. Accordingly, the SBInet team began to explore the feasibility of a field test site that would provide an operational simulation of the Arizona project areas to enable formal system qualification testing (i.e., testing that deploys technology in an operational environment similar to the actual project environment) before beginning tower construction for the TUS-1 deployment. Such a facility was identified in June 2008 at Playas, New Mexico.

Our initial plan also called for beginning TUS-1 tower site preparation in mid-July 2008. However, based on necessary coordination with the Department of the Interior (DOI), the construction schedule was delayed in order to complete statutory environmental compliance reports and to obtain construction and land-use permits. As I will discuss in greater detail later in the testimony, around this same time, CBP also became aware of increasing fence construction costs that would require additional funding.

The combination of the additional time needed to complete necessary coordination with DOI, concerns over the risks associated with our original SBInet deployment plan, and a need to fund the escalating fence costs provided an opportunity for us to revisit our overall development and deployment approach and address the recommendations from the GAO and Congress to minimize concurrent SBInet testing and deployment activities and the associated program risk. We have extended our ongoing system integration and verification testing to now be completed prior to the deployment of SBInet capabilities in TUS-1. Our re-planning now utilizes the operational representative field test lab in Playas, New Mexico, for completion of system testing.

In mid-August, the Department of Homeland Security (DHS) Investment Review Board (IRB) approved CBP's revised testing and deployment plan. The IRB's decision requires CBP to provide a detailed Acquisition Program Baseline, an Integrated Master Schedule, and other programmatic documentation to the IRB by November 24, 2008. The schedule will show plans for completion of SBInet technology deployments in Tucson and Yuma Sectors. The IRB guidance also closely aligns with planned actions to address GAO's recommendations to better define SBInet deployments, capabilities, schedule, and lifecycle management processes, as well as improve baselining of SBInet requirements development and documentation. Pending a more detailed schedule of key milestones that will be completed in late September, we project a TUS-1

construction start in the first quarter of Calendar Year 2009. AJO-1 construction is planned to start following successful construction of TUS-1. Based on the results of those two deployments, and once we determine that the system is operationally effective and suitable, we will field additional SBInet technology deployments within the Tucson Sector in 2009.

The revised deployment schedule allows us to address DOI concerns and, most importantly, the need for thorough integration testing and formal System Qualification Testing prior to deployment. However, there is no change to the overall scope or direction of the SBInet program. The primary objectives of our re-planning effort are to reduce overall program risk by ensuring that SBInet system capabilities are properly tested and proven before their deployment and to establish consistent, formal documentation that baselines the program.

### **Tactical Infrastructure**

CBP remains committed to constructing the 670 miles of fence required by the Border Patrol and is working aggressively to meet this goal. As of August 29, 2008, over **344** miles of fencing have been constructed along the southwest border, including:

- **190.0 miles** of pedestrian fencing
- **154.3 miles** of vehicle fencing

However, we face many challenges in achieving our goal. As previously noted, escalating construction costs coupled with competition for construction labor, equipment, and materials has resulted in significant fence construction cost increases. Beginning in July, proposals for several pending pedestrian fence projects started coming in at a cost significantly above our budgeted projections. Based on the U.S. Army Corps of Engineers' (USACE) analysis of the proposals and discussions with the bidders, rising fuel, steel, and other material

costs appear to be the primary drivers of the cost escalations. The impact of these rising costs is being seen across the entire construction industry, including other USACE and CBP construction projects. Additionally, a boom in construction has further increased costs in many of our fence project areas due to competition for local and regional supplies of construction labor, equipment, and materials. Although these factors are beyond our control, we fortunately protected ourselves against the rising cost of some materials by locking in fixed prices through pre-purchasing long-lead structural steel in advance. This action saved the government between \$63 million and \$100 million.

Based on several economic indicators, we are concerned that the trend of escalating fence construction costs could continue into the foreseeable future. As such, it makes sound fiscal sense to fund these contracts and lock in these prices now. A strategy for funding this increased cost for fence construction – including a reprogramming request – was sent to our Appropriators on September 9, 2008.

It is also important to note that, cost increases aside, a number of other factors continue to present challenges to achieving our fence construction goals. These include: completing legal actions to acquire private property in Texas, complying with International Boundary and Water Commission requirements along the Rio Grande River, appropriately addressing cultural mitigation issues, and resolving any unforeseen construction challenges that may arise.

## **Conclusion**

Our frontline personnel are the nation's most important asset in securing the borders, and the mission success of CBP's agents and officers is dependent upon their access to the tools they need to most effectively and efficiently carry out their duties. CBP remains committed to

continuing to provide our agents and officers with these tools to help them help them gain effective control of our nation's borders. However, I want to assure you that we take our stewardship of taxpayer resources seriously, and we will continue to address challenges associated with developing and deploying both technology and tactical infrastructure in a manner that balances our nation's security with sound financial management principles. I would like to thank the Committee for the opportunity to present this testimony today and for your continued support of DHS and CBP. We would be pleased to respond to any questions that you may have at this time.